month of August, 1991. The recommendations of this Committee are being implemented in a phased manner.

Report on banking system

964. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether a recent study report on banking system sponsored by Reserve Bank by Shri Deena Khatkhate on banking system has pointed out different weaknesses in the control and supervision by RBI over the Banks in the context of the economic reforms;

(b) if so, what are the precise weaknesses and drawbacks brought home by the Khatkhate Committee; and other observations and suggestions made by it; and

(c) whether the report was submitted in December 1993, if so, what action has since been taken thereon and the reasons for the dlay in implmentation thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) The Reserve Bank of India (RBI) have reported that they have not sponsored any such study. However Finance Ministry had invited Shri D. Khatkhate to submit a report which is currently under examination.

Customer Service in Insurance Sector

965. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been no improvement in customer service in insurance sector; and

(b) if so, what steps Government are taking to enhance customer service by Insurance companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEHAR MURTHY): (a) and (b) No, Sir. The number of maturity claims which were settled by LIC on or before due date and the number of death claims settled within 75 day of the death of the policyholder increased from 19.64 lakhs and 1.60 lakhs during 1990-91 to 27.37 lakhs and 2.63 lakhs respectively during 1992-93. The total number of customer complaints during this period came down from 15,110 to 14,235. With a view to redressing the grievances of the policyholders, Claims Review Committees have been set up by the LIC at Zonal Office and Central Office level to review the repudiated claim from time to time.

In the case of GIC, on a global basis, the claim disposal ratio and documents disposal ratio which were 3.2 per cent and 76 per cent in 1982-83 have gone up to 73.9 per cent and 91.3 per cent respectively by 1993-94. The GIC and its four subsidiaries have taken up a programme of Frontline Computerisation, and issuance of computer based policies in respect of Motor and Health Insurance has already commenced in certain offices of the subsidiaries of the GIC.

The Boards of the LIC, GIC and its four subsidiary companies constantly review the disposal of public grievances and settlement of claims to ensure effecient customer service.

Harassment by Income Tax Department

966. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made an effort to reduce harassment of middle class people by Income Tax Department;

(b) whether any specfiic programme has been chalked out for the year 1994-95 in this regard; and

(c) whether any public advisory committee would be formed to assist in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b). Yes Sir. The following steps have been taken in this regard:—

(i) It has been decided that during the financial year 1994-95 the cases of resident individuals declaring total income of Rs. 1,20 lakhs or less will not be selected for detailed scrutiny provided the total income does not include income from business or profession, there is no brought forward or carry forward loss other than from house property and there is no positive information of tax evasion;

(ii) in respect of other cases of total income less than Rs. 2 lakhs, only 3 per cent of the returns will be selected for scrutiny purely on random basis;

(iii) to help the middle class assessees a new simplified Form No. 2A has been introduced which can be used by resident individual assessees whose total income is Rs. 1.20 lakhs or less and such total income does not include income from business or profession or any ybrought forward or carry forward loss except from House Property;

(iv) the Presumptive Tax Scheme for small traders and persons engaged in vocations, which was originally introduced only for two Financial Years 1992-93 and 1993-94 has since been continued;

(c) a Central Direct Taxes Advisory Committee at the Central level and also regional Direct Taxes Advisory Committees at the State/Regional level are already functioning.

Excise subsidy for fuel/oil

967. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Central Excise subsidy will be extended for purchase of fuel/oil by the deep sea fishing industry in Andhra Pradesh;

(b) whether Government are aware that the deep sea fishing industry is export oriented; and

(c) if so, the steps proposed to be taken to assist this export oriented industry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c). Under the Central Excises and Salt Act, 1944 there is no concept of excise subsidy. However, the Ministry of Commerce is administering a scheme aimed at reimbursing a part of the cost of high speed diesel oil consumed by deep sea fishing vessels so as to make the effective price comparable to the international price.

Pre-emptive Purchase of property by Income tax Department

968. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to enhance the present limit for pre-emptive purchase of property by Income Tax Department;

(b) whether it is a fact that the present limit was set many years ago; and

(c) if so, the steps proposed to be taken to raise the limit inview of inflation and all around price increase?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Several representations have been received by the Government with a plea for raising of the existing limit of Rs. 10 lakhs of apparent consideration for the applicability of the provisions of the pre-emptive purchase of immovable properties. These are under consideration of the Government.

(b) The present limit of Rs. 10 lakhs of apparent consideration was fixed on 1-10-1986.

(c) All relevant factors shall be taken into account before taking any deision of increasing the existing limit.